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# News Release

Immediate release

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## **GOVERNMENT ESTABLISHES TECHNICAL COMMITTEE ON BUSINESS TAXATION**

The Minister of Finance, the Honourable Paul Martin, today announced as part of the 1996 federal budget the establishment of a Technical Committee to consider ways in which Canada's business taxation system could contribute more to the creation of jobs.

"Canadians want a tax system that is both as fair and as simple as possible," Mr. Martin said. "They also want a system that encourages economic growth and job creation. Given the complexity of these objectives, a comprehensive review of taxes related to investment and business activity is warranted."

The Technical Committee will consider ways of improving the tax system to promote job creation and economic growth, simplifying the taxation of businesses to facilitate compliance and administration, and enhancing fairness to ensure that all businesses share the cost of providing government services.

The Technical Committee will be composed of a panel with legal, accounting and economic expertise in the tax field. It will be headed by Dr. Jack Mintz, who is serving as the 1996-97 Clifford Clark Visiting Economist in the Department of Finance.



"We have brought together a distinguished and capable group of professionals, who will meet the challenging mandate that has been set for them." Mr. Martin said.

The Technical Committee will report to the Minister of Finance later this year. Public consultations will follow the release of this report.

A list of the Technical Committee's membership, as well as their Terms of Reference, is attached.

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For further information:

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Press release also available on Internet at  
<http://www.fin.gc.ca/>



## TECHNICAL COMMITTEE ON BUSINESS TAXATION

### Terms of Reference

Canadians want their tax system to generate revenue in a fair and simple manner. They also want it to encourage economic growth and job creation. Given the complexity of combining these objectives, the Government of Canada has decided to undertake a review of those aspects of tax law that most affect the creation of jobs.

The review will be conducted by a Technical Committee on taxes related to investment and business activity. The Committee will be asked to examine business taxes and taxes paid on business income, in order to assess both the level and mix of these taxes. The Committee will also consider how compliance and administrative costs can be reduced. Their assessment will be conducted with a view to the following general objectives:

- Improving the tax system to promote job creation and economic growth in an open economy;
- Simplifying the taxation of business income to facilitate compliance by taxpayers and administration by Revenue Canada; and
- Enhancing fairness in the tax system by ensuring that all businesses share the cost of providing government services.

In addition, the assessment will consider the interaction between taxes paid by business – including corporate income, capital and payroll taxes – and taxes paid by individuals on income derived from investments.

Through its review, the Committee will take into account the following two factors influencing the current tax system:

- fiscal constraints faced by the federal and provincial governments, and
- the need to co-ordinate federal and provincial taxes.

The Technical Committee will report to the Minister of Finance later this year. Consultations with the public will follow the release of this report

## **TECHNICAL COMMITTEE ON BUSINESS TAXATION**

### **Members:**

Mr. Robert Brown  
Price Waterhouse  
Toronto, Ontario

Professor Bev Dahlby  
Department of Economics  
University of Alberta  
Edmonton, Alberta

Mr. Gerry Godsoe  
Stewart McKelvey  
Stirling Scales  
Halifax, Nova Scotia

Mr. Allan Lanthier  
Ernst & Young  
Montreal, Quebec

Mr. Wilfrid Lefebvre  
Ogilvy Renault  
Montreal, Quebec

Prof. Jack Mintz (Chair)  
Faculty of Management,  
University of Toronto  
(on leave)

Clifford Clark Visiting  
Economist  
Department of Finance  
Ottawa, Ontario

Professor Nancy Olewiler  
Department of Economics  
Simon Fraser University  
Burnaby, British Columbia

Mr. Norm Promislow  
Buchwald Asper Hentelef  
Winnipeg, Manitoba

Mr. Stephen Richardson  
Tory, Tory, Deslauriers &  
Binnington  
Toronto, Ontario